



STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

November 5, 2009

Jocelyne Gray, P.E.  
Public Utility District No. 1 of Mason County  
N. 21971 Highway 101  
Shelton, WA 98584

Re: Water Right CG2-GWC6829 for Canal Mutual Water System (DOH WS ID#10999)

Dear Ms. Gray:

**Your extension is approved.**

In response to your request, you are hereby granted an extension to put the water to full beneficial use for the reasons below:

- Consistent progress has been demonstrated in the development of water for Canal Mutual Water System.
- Well decommissioning reports were received for the exempt wells and the Glen Ayr Resort system has been consolidated with Canal Mutual Water System.
- Mason PUD No. 1 is currently working on developing legal agreements as required under Provision #4 of this water right.
- Additional time is needed to develop full beneficial use of the water right due to current economic conditions and local development patterns.

The new deadline to submit your *Proof of Appropriation of Water* is **March 1, 2014**.

**The status of the inchoate portion of Certificate 6829 is uncertain.**

Your extension request letter indicates that the Canal Beach Tracts service area is not fully developed and that the consolidated Glen Ayr Resort component of this water system may expand in the future.

In the Report of Examination dated April 18, 2008 approving the consolidation under Certificate 6829, the purpose of use for this water right was conformed to "municipal supply" purposes. At that time, it was tentatively determined that the inchoate portion of this water right was "in good standing" in accordance with the 2003 Municipal Water Law and was available to meet future demand.



Please note that on June 11, 2008, the definitions of “municipal water supplier”, “municipal water supply purposes”, and the inchoate water right “in good standing” provision in the Municipal Water Law of 2003 were deemed unconstitutional by King County Superior Court. Ecology has appealed this decision to the Washington State Supreme Court. However, a final decision on the appeal may not be issued for some time.

In the meantime, there is uncertainty regarding the municipal status of Certificate 6829 and the viability of the inchoate portion of this right to meet future demand. Thus, we recommend that Mason PUD No. 1 plan conservatively for growth of the Canal Mutual Water System pending the final outcome of the Supreme Court decision.

Until there is final resolution of the Supreme Court case, Certificate 6829 should tentatively be viewed as a right for “community domestic” purposes with a 25-lot connection limit, combined with the 5.6-acre-foot-per-year exempt right perfected by Glen Ayr Resort.

For more information regarding the status of the Municipal Water Law, please refer to the Department of Ecology’s web site at [http://www.ecy.wa.gov/programs/wr/rights/muni\\_wtr.html](http://www.ecy.wa.gov/programs/wr/rights/muni_wtr.html).

You have a right to appeal Ecology’s decision regarding the extension of the development schedule on Certificate 6829. To appeal this you must:

- File your appeal with the Pollution Control Hearings Board within 30 days of the “date of receipt” of this document. Filing means actual receipt by the Board during regular office hours.
- Serve your appeal on the Department of Ecology within 30 days of the “date of receipt” of this document. Service may be accomplished by any of the procedures identified in WAC 371-08-305(10). “Date of receipt” is defined at RCW 43.21B.001(2).

Be sure to do the following:

- Include a copy of this document that you are appealing with your *Notice of Appeal*.
- Serve and file your appeal in paper form; electronic copies are not accepted.

#### **1. To file your appeal with the Pollution Control Hearings Board**

Mail appeal to:

The Pollution Control Hearings Board  
PO Box 40903  
Olympia WA 98504-0903

OR Deliver your appeal in person to:

The Pollution Control Hearings Board  
4224 – 6th Ave SE Rowe Six, Bldg 2  
Lacey WA 98503

**2. To serve your appeal on the Department of Ecology**

Mail appeal to:

The Department of Ecology  
Appeals Coordinator  
P.O. Box 47608  
Olympia WA 98504-7608

OR Deliver your appeal in person to:

The Department of Ecology  
Appeals Coordinator  
300 Desmond Dr SE  
Lacey WA 98503

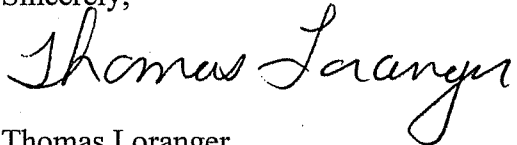
**3. And send a copy of your appeal to:**

Thomas Loranger  
Department of Ecology  
PO Box 47775  
Olympia, WA 98504-7775

*For additional information visit the Environmental Hearings Office Website:  
<http://www.eho.wa.gov>. To find laws and agency rules visit the Washington State Legislature  
Website: <http://www1.leg.wa.gov/CodeReviser>.*

If you have any questions, please contact Marie Peter at (360) 407-0279 or  
[mpet461@ecy.wa.gov](mailto:mpet461@ecy.wa.gov).

Sincerely,



Thomas Loranger  
Section Manager  
Water Resources Program

Enclosures: *Proof of Appropriation of Water*  
*Your Right to Be Heard*

Cc: Virpi Salo-Zieman, DOH ODW

